

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

South Valley Station Post Office  
Yerington, Nevada

Docket No. A2012-108

ORDER REMANDING DETERMINATION

(Issued April 18, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On December 28, 2011, Leslie West (Petitioner West) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the South Valley station in Yerington, Nevada (South Valley station).<sup>2</sup> On January 10, 2012, Lisa Smith (Petitioner Smith) filed a petition for review.<sup>3</sup> The Final Determination to close the South Valley station is remanded.

## II. PROCEDURAL HISTORY

On January 19, 2012, the Commission established Docket No. A2012-108 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup>

On January 30, 2012, the Postal Service filed the Administrative Record with the Commission.<sup>5</sup> The Postal Service also filed comments contesting Commission

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<sup>2</sup> Petition for Review received from Leslie West regarding the South Valley Station, Yerington, Nevada post office 89447, December 28, 2011 (West Petition).

<sup>3</sup> Petition for Review received from Lisa Smith regarding the South Valley Station, Yerington, Nevada post office 89447, January 10, 2012 (Smith Petition). The Commission also received a notice of intervention from Phyllis Longero, January 18, 2012 (Longero Intervention), and letters from Donna J. Stillfield, February 14, 2012 (Stillfield Letter), Jacklyn S. Bishop, and Vern Bishop, March 22, 2012.

<sup>4</sup> Order No. 1147, Notice and Order Accepting Appeal and Establishing Procedural Schedule, January 19, 2012.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice, January 30, 2012 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the South Valley Station, NV Station and Continue to Provide Service by Nearby Post Office (Final Determination). The Notice also contains assertions that the Commission lacks jurisdiction to hear this appeal.

jurisdiction and, alternatively, requesting that the Commission affirm its Final Determination.<sup>6</sup> Those comments were subsequently corrected.<sup>7</sup>

Petitioners filed participant statements supporting their Petitions.<sup>8</sup> On March 9, 2012, the Public Representative filed reply comments.<sup>9</sup> On March 20, 2012, the Postal Service filed a motion to strike the reply comments of the Public Representative.<sup>10</sup> On March 27, 2012, the Public Representative filed an answer to the Motion to Strike and a motion to file supplemental comments.<sup>11</sup> On March 28, 2012, the Public Representative filed supplemental comments.<sup>12</sup> On April 4, 2012, the Postal Service filed an errata to its Motion to Strike.<sup>13</sup> On April 6, 2012, the Public Representative filed a response to the Postal Service's Errata.<sup>14</sup> Finally, on April 11, 2012, the Commission denied the Postal Service's Motion to Strike and granted summary judgment, in part, in favor of the Postal Service.<sup>15</sup>

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<sup>6</sup> Comments of United States Postal Service, February 21, 2012.

<sup>7</sup> Notice of Errata to Comments of United States Postal Service Filed February 21, 2012, March 6, 2012 (Postal Service Corrected Comments).

<sup>8</sup> Participant Statement received from Leslie West, January 31, 2012 (West Participant Statement); Participant Statement received from Lisa Smith, January 31, 2012 (Smith Participant Statement).

<sup>9</sup> Public Representative Reply Comments, March 9, 2012 (PR Reply Comments). On the same date, the Public Representative filed a Motion of Public Representative for Late Acceptance of Comments, March 9, 2012. The motion is granted.

<sup>10</sup> Motion by United States Postal Service to Strike Reply Comments of Public Representative, March 20, 2012 (Motion to Strike).

<sup>11</sup> Opposition of the Public Representative to United States Postal Service Motion to Strike, March 27, 2012; Motion for Acceptance of Supplemental Comments, March 27, 2012. The Public Representative's motion is granted.

<sup>12</sup> Public Representative Supplemental Comments, March 28, 2012 (PR Supplemental Comments).

<sup>13</sup> Notice of Errata to United States Postal Service Motion to Strike Filed March 20, 2012, April 4, 2012.

<sup>14</sup> Public Representative Response to the United States Postal Service "Notice of Errata," April 6, 2012 (Errata).

<sup>15</sup> Order No. 1312, Order Denying Motion to Strike and Granting Summary Judgement in Part, April 11, 2012.

### III. BACKGROUND

The South Valley station provides retail postal services and service to 186 post office box customers. Final Determination at 2. The Final Determination states that no delivery customers are served by the South Valley station. *Id.*<sup>16</sup> The South Valley station provides retail service from 8:00 a.m. to 4:30 p.m., Monday through Friday. Lobby access is 24 hours a day, Monday through Saturday. Retail transactions average 103 daily (133 minutes of retail workload). Post office receipts for the last 3 years were \$604,158 in FY 2008; \$533,683 in FY 2009; and \$517,746 in FY 2010. *Id.* By closing this station, the Postal Service anticipates savings of \$210,236 annually. *Id.* at 7.

After the closure, retail services will be provided by the Yerington main post office located approximately 1 mile away.<sup>17</sup> *Id.* at 2. Delivery service will continue to be provided by city, rural, and highway contract carriers through the Yerington main post office.<sup>18</sup> The Yerington main post office is an EAS-20 level post office, with retail hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, and closed on Saturday. Three-hundred-seventy-six (376) post office boxes are available. *Id.*

### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioners oppose the closure of the South Valley station. Petitioners contend that the Postal Service has (1) failed to consider the adverse effect that closure will have on the availability of postal services in Yerington; (2) failed to consider the impact on employee working conditions that closure will have; (3) failed to consider concerns about customer safety; and (4) overestimated the cost savings that it

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<sup>16</sup> Petitioner Smith takes issues with this assertion. *See, infra.*

<sup>17</sup> Google Maps estimates the driving distance between the South Valley station and the Yerington main post office to be approximately 0.8 miles (1 minute driving time).

<sup>18</sup> The Postal Service states that no delivery customers are served by the South Valley station. *Id.*

anticipates from closing the South Valley station. Smith Petition at 1-2; West Petition at 1.

*Postal Service.* The Postal Service argues that the Commission has no authority to review the closing of a station, particularly the South Valley station. Postal Service Comments at 1-3. The Postal Service also states that the Commission should affirm its determination to close the South Valley station. The Postal Service believes the appeals raises four main issues: (1) the effect on postal services; (2) the impact on the community; (3) the effect on employees; and (4) the economic savings expected to result from discontinuing the South Valley station. *Id.* at 5-9. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the South Valley station should be affirmed. *Id.* at 10.

The Postal Service explains that its decision to close the South Valley station was based on several factors, including:

- a decline in mail volume, Final Determination at 2;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service), Postal Service Comments at 8;
- minimal growth in the community, *id.*; and
- expected financial savings, *id.* at 9.

The Postal Service contends that it will continue to provide regular and effective postal services to the community when the Final Determination is implemented. *Id.* at 5.

The Postal Service also asserts that it has followed all statutorily required procedures, *id.* at 3-4, and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the community, economic savings, and the effect on postal employees. *Id.* at 9-10.

*Public Representative.* The Public Representative asserts that the Commission should remand the Postal Service's determination to close the South Valley station. She alleges that the Postal Service failed to address accessibility issues at the main

Yerington post office, PR Reply Comments at 1-3, 8-9; that none of the economic savings identified by the Postal Service can actually occur, *id.* at 6, 8; that the Postal Service did not consider the effect on delivery carriers whose routes currently emanate from the South Valley station, *id.* at 6-8; that the Postal Service failed to give adequate consideration to the effect on the community, *id.* at 7; and that the Postal Service failed to follow procedures required by law. *Id.*

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

The Postal Service argues that Petitioners' appeals do not fall within the Commission's jurisdiction. It offers two grounds for dismissal. First, the Postal Service argues that postal stations such as the South Valley station are not "post offices" as that term is used in section 404(d). Second, it argues that patrons of the South Valley station still have access to retail services in Yerington, and the closing of the South Valley station does not constitute a "closing" under Commission precedent, citing the Commission's orders dismissing the appeals of the closing of the East Elko station in

Elko, Nevada,<sup>19</sup> and the Pimmit Branch in Falls Church, Virginia.<sup>20</sup> Administrative Record at 1-3; Postal Service Corrected Comments at 1-3.

The Commission and the Postal Service have long disagreed about the meaning of “post office” in section 404(d).<sup>21</sup> The Commission has held that a postal station or branch is a “post office.” The Commission has considered the Postal Service’s arguments in previous decisions and will not revisit the dispute here.<sup>22</sup>

The *East Elko* and *Pimmit Branch* decisions cited by the Postal Service relied upon two other orders in which the Commission found closings of stations or branches to be rearrangements of postal facilities within a community and not closings subject to review under section 404(d). A crucial factor in those earlier “rearrangement” decisions was the construction of a new postal retail facility in the community.<sup>23</sup> Here the Postal Service seeks to close a relatively new facility and move all retail services and operations to the smaller (having about half the space) and older (built in 1939) main post office in the face of allegations that both employees and customers will be adversely impacted by the size and physical characteristics of the old retail facility.<sup>24</sup> Such a move does not qualify as a rearrangement.

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<sup>19</sup> Docket No. A2010-3, Order No. 477, *In re East Elko Station, Elko, Nevada*, June 22, 2010 (*East Elko*).

<sup>20</sup> Docket No. A2011-90, Order No. 1159, *In re Pimmit Branch, Falls Church, Virginia*, January 20, 2012 (*Pimmit Branch*).

<sup>21</sup> See, e.g., Docket No. A82-10, Order No. 436, *In re Oceana Station, Virginia Beach, Virginia*, June 25, 1982, at 4 (*Oceana Station*); Docket No. A2011-16, *Akron-East Station, Akron, Ohio*, Order No. 748, June 17, 2011, at 2.

<sup>22</sup> See Docket No. A2006-1, Order No. 1480, *In re Observatory Finance Station Pittsburgh, PA 15214-0651*, September 29, 2006, at 6-12.

<sup>23</sup> *Oceana Station* at 7-8; Docket No. A2007-1, Order No. 37, *Ecorse Classified Branch, Ecorse, Michigan*, October 9, 2007, at 6.

<sup>24</sup> The South Valley station was occupied in May 2001 and contains 6,475 square feet of space. See <http://about.usps.com/who-we-are/foia/leased-facilities/nv.csv>. The Yerington post office was occupied in June 1939 and contains 3,049 square feet of space. See <http://about.usps.com/who-we-are/foia/owned-facilities/nv.csv>.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 27, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the South Valley station. Final Determination at 2. A total of 3,624 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter of the South Valley station. A total of 524 questionnaires were returned. On June 22, 2011, the Postal Service held a community meeting at the Lyon County Library to address customer concerns. Six customers attended. *Id.*

The Postal Service does not claim to have posted a proposal to close the South Valley station with an invitation for comments at the South Valley station (see Postal Service Corrected Comments at 3-4) although such a proposal appears in the Administrative Record as Item No. 33. That proposal, however, does not bear the round date stamps that customarily are used to verify that a proposal was posted.<sup>25</sup> Moreover, the Postal Service received no comments regarding the proposal (Administrative Record, Item No. 40) suggesting that customers of the South Valley station may have been unaware of its existence. The Final Determination was posted at the South Valley station and at the Yerington post office on December 9, 2011. Final Determination following page 7.

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<sup>25</sup> See, e.g., Docket No. A2012-101, Administrative Record, Item No. 36, at 1.



The Postal Service asserts that distributing questionnaires and holding a community meeting satisfied the notice requirements of 39 U.S.C. § 404(d). Postal Service Corrected Comments at 3. In past cases, the Commission has found questionnaires and community meetings to provide sufficient notice. For example,

The record in this proceeding indicates that customers of the East Akron station were afforded adequate notice that the Postal Service was reviewing the East Akron station for possible closure. Further, customers were given an opportunity to provide input to the Postal Service by returning their questionnaires. . . . Based on review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. 404(d)(1).<sup>26</sup>

However, in this case, Petitioner Smith asserts that the questionnaires and notice of a community meeting confused customers. She states that

there was a town meeting originally to close the Main Office which customers were against, then [the Acting Manager of Post Office Operations] decides to close the South Valley Station[.] [A] town meeting was held and only three customers attended[.] I think they were confused on what facility was being discussed.

Smith Petition at 2.

Confusion is apparent in some questionnaire responses. For example, one respondent stated, “If the downtown P.O. is closed, it will be a hardship on me as I don’t have a car and that would be a long walk for me.” Administrative Record, Item No. 22, at .pdf at 621.<sup>27</sup> Of course, the questionnaire sought reaction to the possible closing or consolidation of the South Valley station, not the “downtown P.O.” See *id.*, Item No. 21. Another respondent stated, “Please do not close our beautiful downtown Post Office.” *Id.*, Item No. 22, at .pdf at 999 (emphasis in original). A third respondent asked,

Why did you make it seem like only the downtown PO was to be closed?!!....First the downtown PO is threatened—everyone rallies around. Now the other & best one is going to close?

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<sup>26</sup> Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011, at 9; see also Docket No. A2011-19, Order No. 912, Order Affirming Determination, October 20, 2011, at 9.

<sup>27</sup> Item No. 22 is not paginated. Page references are to the .pdf version of the Administrative Record posted on the Commission’s website.

*Id.* at .pdf at 105-06. Other respondents indicated that they had already submitted a response. “I remember sending this back once before, a few months ago?” *Id.* at .pdf at 860. “I have already filled this out. How many more times?” *Id.* at .pdf at 586.

“FYI ~~✱~~ I have already filled out **3** of these.” *Id.* at .pdf at 142 (emphasis in original).

Some confusion may have resulted from the earlier investigation into closing the main Yerington post office, as Petitioner Smith alleges. However, the vast majority of respondents understood that it was South Valley station that the Postal Service was looking to close. See *id.* at .pdf at 699-998, 1000-83. The Commission observes that the Postal Service has provided customers notice and an opportunity to voice opinions through the questionnaire process.

The record in this proceeding indicates that customers of the South Valley station were afforded notice that the Postal Service was reviewing the South Valley station for possible closure. Further, customers were given an opportunity to provide input to the Postal Service at the community meeting and by returning questionnaires. Based on a review of the record, the Postal Service appears to have satisfied the notice requirements of 39 U.S.C. § 404(d)(1).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Yerington, Nevada, is an incorporated community located in Lyon County, Nevada. The community is administered politically by a Mayor

and City Council.<sup>28</sup> Police protection is provided by the Yerington Police Department. Fire protection is provided by the Mason Valley Fire Department. The community is comprised of retirees, farmers, the self-employed, those who work in local businesses or commute to work in nearby communities, and unemployed individuals. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Yerington community and solicited input from the community with questionnaires. Customers' concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-4.

Petitioner West contends that the Postal Service failed to consider the effect that the closing will have on the Yerington community and local businesses. West Participant Statement at 6. Donna J. Stillfield and Petitioner Smith contend that the Postal Service failed to consider future growth of the community. Stillfield Letter at 2; Smith Participant Statement at 8.

The Postal Service contends that it considered the effect of closing the South Valley station on the community. The Postal Service states that "growth of a community does not depend on the location of a Post Office"; that "[c]arrier service will be able to accommodate future growth"; and "that the proposed alternate delivery service will meet the mailing and service needs of the community...." Postal Service Corrected Comments at 6. However, the Postal Service is not proposing to replace the South Valley station with carrier service. The Postal Service proposes "to provide service by nearby Post Office." Final Determination at 1. Participants were not concerned that closing the South Valley station would retard the growth of the community. Rather, they

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<sup>28</sup> See <http://www.yerington.net/index.aspx?NID=295>; <http://www.leg.state.nv.us/CityCharters/CtyYCC.html>. The Final Determination states that the "South Valley Station" is unincorporated and administered politically by Lyon County. Final Determination at 2.

were concerned that future growth would overwhelm the Yerington post office, which they contend was already inadequate at the time the South Valley station was built. See Longero Intervention at 1; Smith Petition at 1.

The Final Determination reads as if the Postal Service were closing a small rural post office and extending rural carrier service. That is not happening with the closure of the South Valley station. The number of additional rural or highway contract boxes is zero. Administrative Record, Item No. 17. The Postal Service has not adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Final Determination states that “Any Employees assigned to this facility will be relocated with the Postal Service.” Final Determination at 5. The Post Office Fact Sheet states that there are two non-career employees and no delivery customers at the South Valley station. Administrative Record, Item No. 18. Form 150, Postmaster Workload Information, shows that the South Valley station serves no delivery points of any kind and performs no separations to carrier route of letters or flats. *Id.*, Item No. 8. However, Petitioner Smith (the Yerington postmaster) states, “The Yerington office has four city routes, one rural route and three highway routes.”<sup>29</sup> She also states that construction of the South Valley station “was a huge milestone for the safety and ease of access for the employees....” Smith Petition at 1. These statements raise the possibility that carriers operate out of the South Valley station. They do, as confirmed by reference to the Postal Service’s FAST website.

The Postal Service has not considered the possible effects of closing the South Valley station on the carriers who work there and has thus not satisfied its obligation to consider the effect of the closing on employees as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to South Valley station

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<sup>29</sup> The Public Representative verified with Petitioner Smith that all Yerington carriers operate from the South Valley station. PR Reply Comments at 6.

customers. Postal Service Corrected Comments at 6-7. It asserts that customers of the closed South Valley station may obtain retail services at the Yerington post office located 1 mile away. Final Determination at 2, 7. South Valley station post office box customers may obtain Post Office Box service at the Yerington post office, which has 376 boxes available. *Id.* at 2.

Petitioners, commenters, and the Public Representative raise the issue of regular and effective postal services for the customers of the South Valley station. They assert that the Postal Service failed to consider customer concerns about the additional hardships faced by customers who have difficulty negotiating the parking lot, steps, or ramp at the Yerington post office.<sup>30</sup> The Postal Service explained that customers could obtain postal services from the carrier, or use alternate access options, including [www.usps.com](http://www.usps.com) and Stamps By Mail<sup>®</sup>. Postal Service Comments at 6-7. The Postal Service also asserts that customers “who cannot drive, who have infirmities or physical handicaps, etc....can be accommodated at the Yerington Main Office.”<sup>31</sup> However, this conclusion was reached before questionnaires were distributed and responses received and analyzed.<sup>32</sup> The Postal Service’s responses to customer concerns about access to the Yerington post office mention only service from a carrier, Money Order Application forms, 1-800-STAMP-24, [www.usps.com](http://www.usps.com), and Stamps By Mail<sup>®</sup>. Final Determination at 5. The responses do not explain how customers with special needs “can be accommodated at the Yerington Main Office.”

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<sup>30</sup> The Public Representative and the Postal Service have debated the applicability of various statutes intended to address the challenges faced by individuals with different types of disabilities. See notes 9 through 12, *supra*. While compliance with such statutes and the responsibility for their enforcement are serious matters, the ultimate issue in this proceeding is whether handicapped or disabled individuals will, like other customers, receive effective and regular postal service if the South Valley station closes. In order to decide this issue, the Commission finds it unnecessary to address the applicability and enforcement of the laws discussed in the pleadings filed by the Public Representative and the Postal Service.

<sup>31</sup> Motion to Strike at 9, citing Administrative Record, Item No. 15, at 2.

<sup>32</sup> Administrative Record, Item No. 15 is dated May 9, 2011, and the Customer Questionnaire Analysis (Item No. 23) is dated June 24, 2011. See Administrative Record, Table of Contents (.pdf at 1).

When it reconsiders its decision on remand, the Postal Service should address concerns regarding potential hardships faced by handicapped customers who seek access to the Yerington main post office.

*Economic savings.* The Postal Service estimates total annual savings of \$210,236. It derives this figure by summing the following costs: postmaster salary and benefits (\$103,321)<sup>33</sup> and annual lease costs (\$96,915), minus the cost of replacement service (\$0). *Id.*

Petitioners and the Public Representative argue that the cost savings estimates are inaccurate. Smith Petition at 2; West Petition at 1; PR Reply Comments at 6. Petitioner Smith points out that a postmaster position will remain filled in Yerington and that there are no management positions other than the postmaster that could be eliminated by closing the South Valley station. Smith Petition at 2. She also asserts that the lease on the South Valley facility has 10 years to run. *Id.* Petitioner West asserts that it is unlikely that the Postal Service could sublet the facility, given the economy of Yerington. West Participant Statement at 2.

The Postal Service's estimate of economic savings is flawed. Based on the record, no employee position would be eliminated by closing the South Valley station. Smith Petition at 2. A postmaster position will continue to exist and be filled in Yerington. The Postal Service has neither asserted nor quantified savings from elimination of other positions.

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<sup>33</sup> In its comments, the Postal Service cites three items in the record to support its estimate of economic savings. Postal Service Corrected Comments at 9. The Proposal to close the South Valley station lists \$84,885 as "Clerk Savings" and \$28,436 as "Fringe Benefits @ 33.5%." *Id.*; Administrative Record, Item No. 33, at 7. However, the clerks at the South Valley station are classified as non-career. Proposal Fact Sheet, Item No. 18. Non-career employees do not receive fringe benefits. Even if the clerks are career employees, their positions are not being eliminated. "Both PTF clerks will report to the Yerington Main Office on a daily basis." *Id.*; Post Office Survey Sheet, Item No. 15, at 1. The Proposal Checklist shows \$84,885 as "Postmaster salary" and \$28,436 as "Fringe benefits @ 33.5%." *Id.*, Item No. 29, at 2. The Final Determination lists \$84,885 as "Manager and/or Craft Savings" and \$28,436 as "Fringe Benefits @ 33.5%." *Id.* at 5; see also Administrative Record, Item No. 18, at 1 identifying the postmaster position level as EAS-13 with a base salary of \$84,885 and fringe benefits of \$28,436, *id.*, Item No. 47, at 5 ("carrier service can be and, in this case, is more cost-effective than maintaining a postal facility and a postmaster position.").

The lease on the South Valley station runs through May 22, 2023 and does not include a 30-day cancellation closure. Administrative Record, Item No. 18, at 1. While the Postal Service asserts that it is permitted to sublet the South Valley station (Postal Service Corrected Comments at 9), the Final Determination does not rely on subletting as a source of savings, and Petitioner West questions the likelihood that the Postal Service could sublet a significant amount of space. The Postal Service has not recognized expenses associated with moving carrier operations from South Valley station and renovating the Yerington post office to receive them. The Postal Service has not satisfied the requirement of 39 U.S.C. § 404(d)(2)(A)(iv) that it consider economic savings.

*It is ordered:*

The Postal Service's determination to close the South Valley station in Yerington, Nevada is remanded.

By the Commission.

Shoshana M. Grove  
Secretary